



## ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 12 – Travel 2.9	EFFECTIVE DATE: 12/16/2005
TITLE: Reimbursement for Personal Use of State Vehicles	REVISION DATE: 10/30/2014
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

### BACKGROUND

Personal use of state-owned vehicles shall be in accordance with the Fleet Driver and Management Policies and Procedures Manual approved and issued by the Wisconsin Department of Administration (DOA).

If an employee utilizes a state vehicle for personal use, including commuting, and the personal use of the vehicle is not reimbursed to the state, the value of any non-reimbursed personal use is considered a taxable fringe benefit. This rule does not apply to a qualified non-personal use state vehicle as long as the employee is complying with the assignment requirements. Under strictly limited circumstances there may be exceptions to this rule. For example, an agency requires that the motor pool vehicle be returned at the end of the business day, but the employee is delayed and the motor pool is closed when the employee arrives back at the office. The employee takes the vehicle home and returns it the next morning. Assuming that this is an infrequent occurrence for that employee, that is, generally happens no more than once a month the employee would not be required to reimburse the state for these miles. If the employee frequently experiences circumstances of this nature, the employee must reimburse the state for the commuting miles.

Appropriate handling of reimbursements from drivers for personal-use miles is particularly important.

### POLICY

Department of Health Services (DHS) drivers will reimburse the state of Wisconsin for personal use in accordance with the Fleet Driver and Management Policies and Procedures Manual upon completion of the trip.

### PROCEDURES

#### 1. Personal Miles to be Reimbursed to the State

The personal use of a state vehicle includes commuting to and from work, even if the vehicle is taken home for the convenience of the state. Personal use is considered a fringe benefit by the Internal Revenue Service (IRS) unless the employee reimburses the state for the full value of the personal mileage based on the IRS Valuation rules. The value of the fringe benefit must be included in the wages and is subject to income and employment taxes. If the employee reimburses the state for the value of the benefit derived in accordance with the appropriate IRS rules, then the employee receives no additional compensation.

Personal miles that need to be reimbursed to the state are determined as follows:

- Actual miles driven between an employee's home and headquarters are considered commuting miles or
- For trips that start or end at an employee's home, the lesser of actual miles driven between an employee's home and the work site removed from the assigned headquarters or the mileage between an employee's assigned headquarters and the work site are considered business miles. Any miles driven in excess of this amount would be considered personal miles that need to be reimbursed to the state.

The operator of the vehicle is required to keep track of all business miles by keeping a log, Assigned Vehicle Log (DOA-3472), on a daily basis – See Fleet Driver and Management Policies and Procedures Manual 2.26 (Mileage Reports) for directions as to how to complete the Assigned Vehicle Log. Any undocumented mileage will be considered personal miles and considered compensation provided to the employee.

## 2. Calculate Reimbursement to the State

Reimbursement to the state shall be calculated using one of the following two valuation rules:

### a. Vehicle Commuting Rule:

- Qualifying employees must reimburse the state at the greater of \$1.50 per state employee each way of the commute or \$0.385 per mile plus appropriate tax. For the appropriate tax see Attachment 2 (Personal Mileage Reimbursement Rates).
- Example: John, from Dane County, has a personally assigned vehicle which he drives 20 miles each way to his headquarters in Madison: 20 miles x \$0.4062 ( $\$0.385 \times 5.5\%$ ) x 2 ways = \$16.25 which John must reimburse to the state.

### b. Automobile Lease Value Rule:

- Applicability: This method applies to all elected officials or state employees whose compensation rate is at least as great as federal government employee at Executive Level V (\$128,200 in 2004) or to any employee whose use of the vehicle does not qualify under the vehicle commute rule.

See Fleet Driver and Management Policies and Procedures Manual for calculation of Lease Value, if this calculation is appropriate for the driver's circumstance.

## 3. Personally Assigned Vehicles

For personally assigned vehicles, the reimbursement check shall be made payable to the Department of Administration and included in the Mileage Report (envelope). The driver is encouraged to record the vehicle ID and month/year of the Mileage Report in the memo field of their check.

#### **4. Work Shared Vehicles**

Work shared vehicles are assigned among a group of state employees usually within a single funding source or an unrestricted funding source.

Work shared vehicle may not be used for personal travel such as commuting, with one exception. A work shared vehicle may be taken home by a driver with prior written approval by a supervisor if the employee is required to take the vehicle home for valid business needs of the agency. If a work shared vehicle is taken home more than once a month the employee is required to reimburse the state for personal miles traveled.

For work shared vehicles, the reimbursement check shall be made payable to the Department of Health and Family Services. The reimbursement check and/or the prior written approval from the supervisor shall be given to the Division/Bureau Fleet Coordinator. Employees are encouraged to maintain copies of the reimbursement check and the supervisory approval.

The Division/Bureau Fleet Coordinator shall maintain appropriate records and supporting documentation, in accordance with the Fleet Driver and Management Policies and Procedures Manual, and verify that amounts due for personal use are paid.

Deposits will be made in accordance with Section 2 – Cash and Cash Equivalents 1.0 (Handling of Cash Receipts). The Fleet Coordinator shall send with the checks Deposit (F-80392). The Deposit Type will be “Other” and should identify the vehicle ID number, the driver and the number of personal miles.

Amounts received by the Fleet Coordinator shall be deposited into the same accounting string as the charges for the vehicle. Per the DOA State Accounting Manual, Section VI - Revenues, Sub-Section 6 – Refund of Expenditures, personal mile reimbursements should be classified as a revenue. Revenue code 483530 (Personal Use of State Vehicles) shall be used. Revenues related to vehicles charged to GPR-Sum Certain and GPR-Biennial shall be recorded as GPR-Earned. GPR-Sum Sufficient and PRF appropriations should be recorded as credit to expenditures. PR and SEG appropriations should be handled on case by case basis. See Section 3 – Revenues and Refunds 1.0 (Accounting for Revenues and Refunds of Expenditure) for further assistance in recording revenues. Revenues for split-funded vehicles will be split in the same proportion as the costs for the month in which the personal miles occurred.

Amounts associated with sales tax needs to be deposited in appropriation 902, the appropriate org code, and account code 95900. Stadium taxes should be recorded to appropriation 902, the appropriate org code, and account code 95890. See Section 13 – Tax 3.0 (Filing DOR Sales Tax Returns) for additional information on recording sales tax.

#### **5. Motor Pool Vehicles**

Motor pool vehicles are made available to all employees without regard to funding source, and are billed back on a daily use basis to the appropriate funding source. If the employee needs to take a pool vehicle home overnight or on the weekend when the fleet office is not open for business, written authorization from a supervisor is required. If a motor pool vehicle is taken home more than once a month the employee is required to reimburse the state for

personal miles traveled. The reimbursement check shall be made payable to the Department of Administration.

## **FORMS**

Assigned Vehicle Log, DOA-3472 (refer to Attachment IV, page 59, in the [Fleet Driver and Management Policies and Procedures Manual](#)  
Deposit, [F-80392](#)

## **REFERENCES**

[Personal Mileage Reimbursement Rate](#)  
[Fleet Driver and Management Policies and Procedures Manual](#)  
[Wisconsin Accounting Manual \(WAM\), Section 7, sub section 5, Refund of Expenditures](#)  
[DHS APP Section 2 – Cash and Cash Equivalents 1.0](#) (Handling of Cash Receipts)  
[DHS APP Section 3 – Revenues and Refunds 1.0](#) (Accounting for Revenues and Refunds of Expenditure)  
[DHS APP Section 13 – Tax 3.0](#) (Filing DOR Sales Tax Returns)

## **CONTACTS**

[DHS Fleet Manager, Bureau of Communications, Facilities and Operations](#)  
[Lead Accountants](#)